

Negotiating Information

Inflation Figures

| 2005 | RPI (Jan 1987=100) | RPI | RPIX | CPI |
|-------|--------------------------|------------|------------|------------|
| Jan | 188.9 | 3.2 | 2.1 | 1.6 |
| Feb | 189.6 | 3.2 | 2.1 | 1.6 |
| Mar | 190.5 | 3.2 | 2.4 | 1.9 |
| April | 191.6 | 3.2 | 2.3 | 1.9 |
| May | 192.0 | 2.9 | 2.1 | 1.9 |
| Jun | 192.2 | 2.9 | 2.2 | 2.0 |

| 2004 | RPI (Jan 1987=100) | RPI | RPIX | CPI |
|-------|--------------------------|------------|------------|------------|
| Jan | 183.1 | 2.6 | 2.4 | 1.4 |
| Feb | 183.8 | 2.5 | 2.3 | 1.3 |
| Mar | 184.6 | 2.6 | 2.1 | 1.1 |
| April | 185.7 | 2.5 | 2.0 | 1.2 |
| May | 186.5 | 2.8 | 2.3 | 1.5 |
| June | 186.8 | 3.0 | 2.3 | 1.6 |
| July | 186.8 | 3.0 | 2.2 | 1.4 |
| Aug | 187.4 | 3.2 | 2.2 | 1.3 |
| Sept | 188.1 | 3.1 | 1.9 | 1.1 |
| Oct | 188.6 | 3.3 | 2.1 | 1.2 |
| Nov | 189.0 | 3.4 | 2.2 | 1.5 |
| Dec | 189.9 | 3.5 | 2.5 | 1.6 |
| Avg | 186.7 | 3.0 | 2.2 | 1.3 |

| 2003 | RPI (Jan 1987=100) | RPI | RPIX | CPI |
|-------|--------------------------|------------|------------|------------|
| Jan | 178.4 | 2.9 | 2.7 | 1.4 |
| Feb | 179.3 | 3.2 | 3.0 | 1.6 |
| Mar | 179.9 | 3.1 | 3.0 | 1.6 |
| April | 181.2 | 3.1 | 3.0 | 1.5 |
| May | 181.5 | 3.0 | 2.9 | 1.2 |
| June | 181.3 | 2.9 | 2.8 | 1.1 |
| July | 181.3 | 3.1 | 2.9 | 1.3 |
| Aug | 181.6 | 2.9 | 2.9 | 1.4 |
| Sept | 182.5 | 2.8 | 2.8 | 1.4 |
| Oct | 182.6 | 2.6 | 2.7 | 1.4 |
| Nov | 182.7 | 2.5 | 2.5 | 1.3 |
| Dec | 183.5 | 2.8 | 2.6 | 1.3 |
| Avg | 181.3 | 2.9 | 2.8 | 1.4 |

| 2002 | RPI (Jan 1987=100) | RPI | RPIX | CPI |
|------|--------------------------|------------|------------|------------|
| Avg | 176.2 | 1.7 | 2.2 | 1.3 |

Understanding inflation

The inflation rate is calculated from the prices of a range of different goods and services selected to represent average spending patterns in the UK. The Office for National Statistics monitors changes in these prices each month, and uses this to work out an average increase for the year. The different items in the 'basket' of goods and services are given different weights, so that things we spend more on, such as housing, motoring and food, are given more importance.

Base Lending Rate for June 2005 is 4.75%

Average Earnings (excluding bonuses) 2005

| 2005 | Whole Economy | | | Manufacturing | | | Public Sector | | |
|-------|------------------------|--------------|-----------------|------------------------|--------------|-----------------|------------------------|--------------|-----------------|
| | Average Earnings Index | Single Month | 3 Month Average | Average Earnings Index | Single Month | 3 Month Average | Average Earnings Index | Single Month | 3 Month Average |
| Jan | 123.1 | 4.2 | 4.4 | 117.4 | 3.0 | 3.2 | 122.7 | 4.7 | 4.6 |
| Feb | 120.7 | 5.7 | 4.7 | 117.8 | 3.0 | 3.2 | 123.2 | 4.6 | 4.6 |
| Mar | 121.1 | 4.0 | 4.6 | 121.7 | 3.4 | 3.4 | 123.3 | 4.2 | 4.5 |
| April | 121.7 | 4.2 | 4.1 | 120.0 | 3.7 | 3.5 | 124.6 | 4.9 | 4.7 |
| May | 120.7 | 4.2 | 4.1 | 118.1 | 1.9 | 2.9 | 127.7 | 7.6 | 5.6 |

2004

| 2004 | Whole Economy | | | Manufacturing | | | Public Sector | | |
|-------|------------------------|--------------|-----------------|------------------------|--------------|-----------------|------------------------|--------------|-----------------|
| | Average Earnings Index | Single Month | 3 Month Average | Average Earnings Index | Single Month | 3 Month Average | Average Earnings Index | Single Month | 3 Month Average |
| Dec | 118.5 | 4.4 | 4.3 | 117.8 | 3.8 | 3.4 | 122.2 | 4.4 | 4.7 |
| Nov | 109.8 | 4.1 | 3.8 | 109.4 | 4.1 | 3.8 | 109.4 | 4.1 | 3.8 |
| Oct | 117.8 | 4.2 | 4.1 | 116.6 | 3.4 | 3.3 | 121.7 | 4.8 | 4.6 |
| Sept | 117.2 | 3.9 | 3.8 | 116.1 | 3.2 | 3.4 | 121.2 | 4.4 | 4.2 |
| Aug | 108.6 | 3.6 | 3.7 | 108.8 | 3.8 | 3.7 | 109.1 | 2.9 | 3.4 |
| July | 116.2 | 3.3 | 3.8 | 116.2 | 3.9 | 4.1 | 119.7 | 3.6 | 4.2 |
| June | 116.5 | 4.3 | 4.4 | 116.0 | 4.1 | 4.4 | 119.8 | 4.5 | 4.4 |
| May | 116.0 | 4.2 | 4.4 | 115.9 | 4.4 | 4.1 | 119.0 | 4.6 | 4.3 |
| April | 115.8 | 4.6 | 4.3 | 115.5 | 4.8 | 3.9 | 118.6 | 4.1 | 4.3 |
| Mar | 115.7 | 4.3 | 5.2 | 116.1 | 3.2 | 3.5 | 118.2 | 4.3 | 4.3 |
| Feb | 114.3 | 3.9 | 4.9 | 114.7 | 3.6 | 3.5 | 117.8 | 4.4 | 4.3 |
| Jan | 117.1 | 7.3 | 4.7 | 114.0 | 3.6 | 3.5 | 117.1 | 4.1 | 4.2 |

The three-month average figures are the changes in the average seasonally adjusted index values for the last 3 months compared with the same period a year ago.

Full-time average weekly earnings by occupation

| | £ pw | | £ pw |
|-------------------------|--------|---------------------|--------|
| All workers | 526.60 | Admin & Secretarial | 362.10 |
| All male | 580.70 | Skilled/craft | 443.40 |
| All female | 438.30 | Services | 302.10 |
| Managers | 788.70 | Sales | 303.90 |
| Professionals | 700.70 | Operatives | 398.20 |
| Associate Professionals | 561.70 | Other manual jobs | 320.60 |

The table above gives estimates of full-time average weekly earnings by occupation. It is based the figures from ASHE 2004, uprated by AEI.

The National Minimum Wage

The National Minimum Wage Regulations 1999 (Amendment) (No 2) Regulations 2004 was introduced on 1 October 2004.

- The minimum wage for 16-17 year olds is £3 per hour
- The adult worker's rate rises by 7.8% from £4.50 per hour to £4.85 per hour
- The youth rate, for 18 to 21 year olds, rises by 7.9% from £3.80 per hour to £4.10 per hour

The changes, which take effect on 1st October 2005, are:

- For adult workers, from £4.85 to £5.05ph
- For younger workers (18-21), from £4.10 to £4.25